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August 10, 2020

VIA ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Meeting
GN Docket Nos. 18-122, 20-173

Dear Ms. Dortch:

On August 6, 2020, representatives of Intelsat License LLC (“Intelsat”) met telephonically with Patrick DeGraba of the Office of Economics and Analytics, Nellie Foosaner, Anna Gentry, Susan Mort, Matthew Pearl, Paul Powell, and Donald Stockdale of the Wireless Telecommunications Bureau, as well as Robert Nelson and Jim Schlichting of the International Bureau. Representing Intelsat on the call were Michelle Bryan, Secretary of Intelsat License LLC and Executive Vice President, General Counsel and Chief Administrative Officer of Intelsat US LLC, as well as Susan Crandall, Associate General Counsel; Michael DeMarco, Executive Vice President and Chief Services Officer; and Tom McNamara, Vice President of C-Band Transition Management – all of Intelsat US LLC – and the undersigned outside counsel. Intelsat was also joined on the call by Paroma Sanyal, Senior Consultant at The Brattle Group.

The Intelsat representatives provided additional details, at the request of the Federal Communications Commission (“Commission”), on the factors Intelsat considered when determining that it intends to seek reimbursement for the costs of replacing seven out of eleven satellites that are necessary for Intelsat’s clearing activities. The Intelsat representatives explained that critical decisions regarding each of those seven replacement satellites – including their design and their manufacturing/launch timeline -- were made in direct response to the Commission’s decision to require the satellite operators to clear 300 MHz of the C-band.¹

Intelsat’s approach to satellite reimbursement costs is thus grounded in cost causation principles. These principles allow costs to be reimbursed when “caused” by external, drastic changes to Intelsat’s pre-existing satellite deployment plans as a result of the Commission’s adoption of the Report and Order. Intelsat had to reverse course from its planned densification

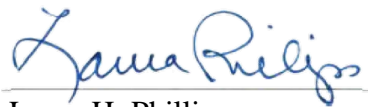
¹ The Intelsat representatives noted that none of the C-band transponders on the replacement satellites would include new technologies that are not already used in transponders on Intelsat’s existing satellites.

of satellites to one that required an entirely new set of requirements to meet the Report and Order's accelerated deadlines. The Commission essentially changed the economic decision points and impacted Intelsat's satellite production optimization process significantly.

Additionally, the Intelsat representatives discussed with the Commission staff the changed circumstances stemming from the Report and Order that necessitated more replacement satellites than that anticipated by the former C-Band Alliance.² The Intelsat representatives explained that the approach Intelsat used for allocating payload costs for each of the multi-band satellites is the Commission's stated incremental cost standard.³ Intelsat's representatives also noted that its Transition Plan's estimated costs for new satellite reimbursement are at the lower end of the Cost Catalog, and certainly lower than what compensable costs could be under the Commission's longstanding "comparable facilities" standard – particularly for those satellites that will be replacing multi-band satellites.

Please contact the undersigned with any questions regarding this letter.

Respectfully submitted,



Laura H. Phillips
Counsel for Intelsat License LLC

cc: Patrick DeGraba
Nellie Foosaner
Anna Gentry
Susan Mort
Robert Nelson
Matthew Pearl
Paul Powell
Jim Schlichting
Donald Stockdale

² See also Intelsat License LLC Opposition to Petitions for Reconsideration, 10-11 (June 26, 2020), <https://ecfsapi.fcc.gov/file/10626006821958/Opposition%20to%20Petitions%20for%20Reconsideration%20-%20Intelsat%206-26-2020.pdf>; Intelsat License LLC Submission for the Record – Transition Plan, Attach., 6-7 (June 19, 2020), <https://ecfsapi.fcc.gov/file/106190607411191/Transition%20Plan%20-%20Intelsat%206-19-2020.pdf>; Intelsat License LLC Opposition to Small Satellite Operators' Petition for Stay of the C-Band Report and Order, 5-6 (May 27, 2020), <https://ecfsapi.fcc.gov/file/1052786288640/Opposition%20to%20SSO%20Petition%20for%20Stay%20-%20Intelsat%2027%20May%202020.pdf>.

³ See Expanding Flexible Use of the 3.7 to 4.2 GHz Band, *Report and Order & Order of Proposed Modification*, 35 FCC Rcd. 2343, para. 194 (2020).